



General Assembly

January Session, 2017

Raised Bill No. 7239

LCO No. 4743



Referred to Committee on PUBLIC SAFETY AND SECURITY

Introduced by:
(PS)

***AN ACT PROVIDING FOR THE REGULATION OF GAMING TO
PROTECT PUBLIC SAFETY AND A COMPETITIVE PROCESS TO
ISSUE A GAMING LICENSE.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-557b of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 As used in this chapter, sections 12-579 and 12-580, [and] chapter
4 226b, and sections 2 to 6, inclusive, of this act, and section 53-278g, as
5 amended by this act, unless the context otherwise requires:

6 (1) "Commissioner" means the Commissioner of Consumer
7 Protection;

8 (2) "Department" means the Department of Consumer Protection;

9 (3) "Business organization" means a partnership, incorporated or
10 unincorporated association, firm, corporation, trust or other form of
11 business or legal entity, other than a financial institution regulated by a
12 state or federal agency which is not exercising control over an

13 association licensee; [and]

14 (4) "Control" means the power to exercise authority over or direct
15 the management and policies of a person or business organization; [.]

16 (5) "Casino gaming facility" means any casino gaming facility
17 licensed by the department to conduct authorized games on its
18 premises, but does not include any casino gaming facility located on
19 the reservations of the Mashantucket Pequot Tribe or the Mohegan
20 Tribe of Indians of Connecticut;

21 (6) "Authorized game" means any game of chance, including, but
22 not limited to, blackjack, poker, dice, money-wheels, roulette, baccarat,
23 chuck-a-luck, pan game, over and under, horse race game, acey-deucey,
24 beat the dealer, bouncing ball, video slot machines and any other game
25 of chance authorized by the commissioner; and

26 (7) "Gross gaming revenue" means the total of all sums actually
27 received by a casino gaming facility from gaming operations less the
28 total of all sums paid as winnings to patrons of the casino gaming
29 facility, provided the total of all sums paid out as winnings to such
30 patrons shall not include the cash equivalent value of any merchandise
31 or thing of value included in a jackpot or payout, and provided further
32 the issuance to or wagering by such patrons of any promotional
33 gaming credit shall not be included in the total of all sums actually
34 received by a casino gaming facility for the purposes of determining
35 gross gaming revenue.

36 Sec. 2. (NEW) (*Effective from passage*) (a) On or before October 1,
37 2017, the commissioner shall develop and issue a request for proposals
38 for the development, management and operation of a possible casino
39 gaming facility in the state. The request for proposals shall require any
40 person or business organization submitting a proposal to provide an
41 outline of the significant benefits that the proposed gaming facility will
42 bring to the municipality in which the casino gaming facility may be
43 located, the surrounding municipalities and the state, and a plan to

44 attract both residents and tourists to the casino gaming facility.

45 (b) The commissioner may issue one casino gaming facility license
46 to a qualified person or business organization that responded to the
47 request for proposals to develop, manage and operate a casino gaming
48 facility in the state. The holder of such license may conduct authorized
49 games at a casino gaming facility. Such license shall be valid for a
50 period of fifteen years and shall be renewable upon application to the
51 commissioner.

52 (c) The commissioner may investigate any person or business
53 organization that holds a casino gaming facility license pursuant to
54 subsection (b) of this section and may suspend or revoke such license
55 for good cause after a hearing held in accordance with the provisions
56 of chapter 54 of the general statutes. Any person or business
57 organization whose casino gaming facility license is suspended or
58 revoked may appeal pursuant to section 4-183 of the general statutes.

59 Sec. 3. (NEW) (*Effective from passage*) (a) Within twelve months of
60 issuing a license to operate a casino gaming facility, the commissioner
61 shall adopt regulations, in accordance with the provisions of chapter
62 54 of the general statutes, for the administration of casino gaming
63 facilities. Such regulations shall include provisions to protect the
64 public interest in the integrity of gaming operations and reduce the
65 dangers of unsuitable, unfair or illegal practices, methods and
66 activities in the conduct of gaming. Such regulations shall include, but
67 need not be limited to:

68 (1) Minimum accounting standards for a casino gaming facility;

69 (2) Minimum security procedures including the video monitoring of
70 casino gaming facilities;

71 (3) Approved hours of operation for gaming and nongaming
72 activities at casino gaming facilities;

73 (4) Procedures governing the manufacture, sale, lease and
74 distribution of gaming devices and equipment for use in casino
75 gaming facilities;

76 (5) Procedures for the recovery of winnings by patrons of casino
77 gaming facilities;

78 (6) Procedures governing how gross gaming revenue are calculated
79 and reported by a casino gaming facility;

80 (7) Requirements for regular auditing of the financial statements of a
81 casino gaming facility;

82 (8) Procedures to be followed by any casino gaming facility for cash
83 transactions;

84 (9) Procedures regarding the maintenance of lists of persons banned
85 from any casino gaming facility and security measures to enforce such
86 bans;

87 (10) Standards for the provision of complimentary goods and
88 services to casino gaming facility patrons;

89 (11) Minimum standards of training for persons employed in a
90 casino gaming facility;

91 (12) Procedures governing the submission of standards of operation
92 and management of gaming operations by casino gaming facilities to
93 the commissioner; and

94 (13) Requirements for information and reports from casino gaming
95 facilities as prescribed by the commissioner to enable effective auditing
96 of casino gaming operations.

97 (b) Until such regulations are adopted and in effect, a casino gaming
98 facility may operate pursuant to its standards of operation and
99 management, provided such standards are approved by the

100 commissioner pursuant to section 4 of this act.

101 Sec. 4. (NEW) (*Effective from passage*) (a) Each casino gaming facility
102 shall submit to the commissioner a description of its standards of
103 operation and management of all gaming operations. The description
104 shall include: (1) Accounting controls to be used in casino gaming
105 operations, (2) job descriptions for all positions involved in casino
106 gaming operations, (3) procedures for the security of chips, cash and
107 other cash equivalents used in authorized games, (4) procedures for
108 the safety and security of patrons of the casino gaming facility, (5)
109 procedures and rules governing the conduct of any authorized games
110 conducted at the casino gaming facility, (6) a certification by the
111 attorney of the casino gaming facility that the submitted standards of
112 operation and management conform to state law and regulations
113 governing casino gaming operations, (7) a certification by the chief
114 financial officer of the casino gaming facility or an independent
115 auditor that the submitted standards of operation and management
116 provide adequate and effective controls, establish a consistent overall
117 system of procedures and administrative and accounting controls and
118 conform to generally accepted accounting principles, and (8) any other
119 standards required by the commissioner.

120 (b) The commissioner shall approve or disapprove a submission of
121 standards of operation and management required under subsection (a)
122 of this section not later than sixty days after the date on which the
123 commissioner received such standards. No casino gaming facility may
124 commence casino gaming operations unless such standards of
125 operation and management are approved by the commissioner.

126 (c) No casino gaming facility shall revise any standards of operation
127 and management that have been approved by the commissioner
128 pursuant to subsection (b) of this section unless the revision has been
129 approved by the commissioner. If the commissioner fails to approve or
130 disapprove the revision not later than sixty days after the date on
131 which the commissioner received the revision, the revision shall be

132 deemed approved.

133 (d) A casino gaming facility aggrieved by an action of the
134 commissioner under the provisions of this section may request a
135 hearing before the commissioner. Such hearing shall be held in
136 accordance with the provisions of chapter 54 of the general statutes.
137 The casino gaming facility may appeal the final decision in accordance
138 with the provisions of section 4-183 of the general statutes.

139 (e) The commissioner shall periodically review a casino gaming
140 facility's compliance with state law and regulations governing casino
141 gaming facilities.

142 Sec. 5. (NEW) (*Effective from passage*) (a) No person may commence
143 or continue employment on the gaming floor or in a gaming-related
144 position in a casino gaming facility unless such person holds a gaming
145 employee license issued by the commissioner.

146 (b) No person or business organization may provide more than
147 twenty-five thousand dollars of nongaming goods or services per year
148 in a casino gaming facility unless such person or business organization
149 holds a nongaming vendor license issued by the commissioner.

150 (c) No person or business organization may provide gaming
151 services or gaming equipment to a casino gaming facility unless such
152 person or business organization holds a gaming services license issued
153 by the commissioner.

154 (d) No business organization, other than a shareholder in a publicly
155 traded corporation, may exercise control in or over a licensee licensed
156 pursuant to this section unless such business organization holds a
157 gaming affiliate license issued by the commissioner.

158 (e) Each applicant for a license issued pursuant to this section shall
159 submit a completed application on forms prescribed by the
160 commissioner. Such application forms may require the applicant to

161 submit information as to: (1) Financial standing and credit; (2) moral
162 character; (3) criminal record, if any; (4) previous employment; (5)
163 corporate, partnership or association affiliations; (6) ownership of
164 personal assets; and (7) any other information as the commissioner
165 deems pertinent to the issuance of such license.

166 (f) The commissioner shall, as soon as practicable after the receipt of
167 a completed license application, grant or deny the license application.
168 Any license issued by the commissioner pursuant to this section shall
169 be effective for not more than one year from the date of issuance.
170 Applications for renewal of any such license shall be in such form as
171 prescribed by the commissioner. Any holder of a license issued
172 pursuant to this section, who submits an application to renew such
173 license, may continue to be employed by a casino gaming facility or
174 provide services to a casino gaming facility until the commissioner
175 grants or denies such renewal application.

176 (g) The commissioner may issue a temporary license at the request
177 of any person who has submitted an application for a license issued
178 pursuant to this section. The commissioner shall require such applicant
179 to submit to state and national criminal history records checks before
180 receiving a temporary license. The criminal history records checks
181 shall be conducted in accordance with section 29-17a of the general
182 statutes. A temporary license shall expire when the commissioner
183 grants or denies an application for a license under this section.

184 (h) The commissioner may investigate any person or business
185 organization that holds a license pursuant to this section at any time
186 and may suspend or revoke such license for good cause after a hearing
187 held in accordance with the provisions of chapter 54 of the general
188 statutes. Any person or business organization whose license is
189 suspended or revoked, or any applicant aggrieved by the action of the
190 commissioner concerning an application for a license or renewal
191 application, may appeal pursuant to section 4-183 of the general
192 statutes.

193 Sec. 6. (NEW) (*Effective from passage*) (a) For the purposes of this
194 section, "alcoholic liquor" has the same meaning as provided in section
195 30-1 of the general statutes.

196 (b) Except as provided in subsection (c) of this section, no person
197 under the minimum age for purchase of alcoholic liquor under the
198 provisions of chapter 545 of the general statutes shall be admitted onto
199 the gaming floor of any casino gaming facility nor be permitted to
200 participate in any authorized games.

201 (c) A person eighteen years of age or older but under the minimum
202 age for the purchase of alcoholic liquor may be employed in a casino
203 gaming facility, provided such person is licensed by the commissioner
204 pursuant to section 5 of this act and such employment does not involve
205 handling or serving alcoholic liquor.

206 Sec. 7. Section 12-561 of the general statutes is repealed and the
207 following is substituted in lieu thereof (*Effective from passage*):

208 No commissioner or unit head or employee of the department shall
209 directly or indirectly, individually or as a member of a partnership or
210 as a shareholder of a corporation, have any interest whatsoever in
211 dealing in any lottery, racing, fronton, [or] betting enterprise or casino
212 gaming facility or in the ownership or leasing of any property or
213 premises used by or for any lottery, racing, fronton, [or] betting
214 enterprise or casino gaming facility. No commissioner or unit head
215 shall, directly or indirectly, wager at any off-track betting facility, race
216 track, [or] fronton or casino gaming facility authorized or regulated
217 under this chapter or purchase lottery tickets issued under this
218 chapter. The commissioner may adopt regulations in accordance with
219 the provisions of chapter 54 to prohibit any employee of the
220 department from engaging, directly or indirectly, in any form of
221 legalized gambling activity in which such employee is involved
222 because of his or her employment with the department. For purposes
223 of this section, "unit head" means a managerial employee with direct

224 oversight of a legalized gambling activity.

225 Sec. 8. Subsection (a) of section 12-562 of the general statutes is
226 repealed and the following is substituted in lieu thereof (*Effective from*
227 *passage*):

228 (a) Except as provided in subsection (b) of this section, the
229 commissioner shall have power to enforce the provisions of this
230 chapter and chapter 226b, and shall adopt all necessary regulations for
231 that purpose and for carrying out, enforcing and preventing violation
232 of any of the provisions of this chapter, for the inspection of licensed
233 premises, [or] enterprises or casino gaming facilities, for insuring
234 proper, safe and orderly conduct of licensed premises, [or] enterprises
235 or casino gaming facilities and for protecting the public against fraud
236 or overcharge. The commissioner shall have power generally to do
237 whatever is reasonably necessary for the carrying out of the intent of
238 this chapter; and may call upon other administrative departments of
239 the state government and of municipal governments for such
240 information and assistance as he or she deems necessary to the
241 performance of his or her duties. The commissioner shall set racing
242 and jai alai meeting dates, except that the commissioner may delegate
243 to designated staff the authority for setting make-up performance
244 dates. The commissioner shall, as far as practicable, avoid conflicts in
245 the dates assigned for racing or the exhibition of the game of jai alai in
246 the state.

247 Sec. 9. Section 12-563a of the general statutes is repealed and the
248 following is substituted in lieu thereof (*Effective from passage*):

249 The Commissioner of Consumer Protection shall, within available
250 resources, prepare and distribute informational materials designed to
251 inform the public of the programs available for the prevention,
252 treatment and rehabilitation of compulsive gamblers in this state. The
253 commissioner shall require any person or business organization which
254 is licensed to sell lottery tickets, operate an off-track betting system,

255 [or] conduct wagering on racing events or jai alai games, or operate a
256 casino gaming facility to display such informational materials at each
257 licensed premise.

258 Sec. 10. Section 12-577 of the general statutes is repealed and the
259 following is substituted in lieu thereof (*Effective from passage*):

260 The commissioner shall annually cause to be made by some
261 competent person or persons in the department a thorough audit of
262 the books and records of each association licensee and casino gaming
263 facility licensee under this chapter and the commissioner may, from
264 time to time, cause to be made by some competent person in the
265 department a thorough audit of the books and records of any other
266 person or business organization licensed under this chapter. All such
267 audit records shall be kept on file in the commissioner's office at all
268 times. Each licensee shall permit access to its books and records for the
269 purpose of having such audit made, and shall produce, upon written
270 order of the commissioner, any documents and information required
271 for such purpose.

272 Sec. 11. Section 12-578 of the general statutes is repealed and the
273 following is substituted in lieu thereof (*Effective from passage*):

274 (a) The commissioner shall adopt regulations, in accordance with
275 the provisions of chapter 54, governing registration and the issuance
276 and annual renewal of licenses and payment of annual nonrefundable
277 application fees for the same in accordance with the following
278 schedule:

279 (1) Registration: (A) Stable name, one hundred dollars; (B)
280 partnership name, one hundred dollars; (C) colors, twenty dollars; (D)
281 kennel name, one hundred dollars.

282 (2) Licenses: (A) Owner, one hundred dollars; (B) trainer, one
283 hundred dollars; (C) assistant trainer, one hundred dollars; (D) jockey,
284 forty dollars; (E) jockey agent, for each jockey, one hundred dollars; (F)

285 stable employees, including exercise boy, groom, stable foreman, hot
 286 walker, outrider, twenty dollars; (G) veterinarian, one hundred dollars;
 287 (H) jockey apprentice, forty dollars; (I) driver, one hundred dollars; (J)
 288 valet, twenty dollars; (K) blacksmith, twenty dollars; (L) plater, twenty
 289 dollars; (M) concessionaire, for each concession, two hundred fifty
 290 dollars; (N) concessionaire affiliate, for each concession of the
 291 concessionaire, two hundred fifty dollars; (O) concession employees,
 292 twenty dollars; (P) jai alai players, one hundred dollars; (Q) officials
 293 and supervisors, one hundred dollars; (R) pari-mutuel employees,
 294 forty dollars; (S) other personnel engaged in activities regulated under
 295 this chapter, twenty dollars; (T) vendor, for each contract, two hundred
 296 fifty dollars; (U) totalizator, for each contract, two hundred fifty
 297 dollars; (V) vendor and totalizator affiliates, for each contract of the
 298 vendor or totalizator, two hundred fifty dollars; (W) gaming employee,
 299 forty dollars; (X) nongaming vendor, two hundred fifty dollars; (Y)
 300 gaming services, five hundred dollars; and (Z) gaming affiliate, two
 301 hundred fifty dollars. For the purposes of this subdivision,
 302 "concessionaire affiliate" means a business organization, other than a
 303 shareholder in a publicly traded corporation, that may exercise control
 304 in or over a concessionaire; and "concessionaire" means any individual
 305 or business organization granted the right to operate an activity at a
 306 dog race track or off-track betting facility for the purpose of making a
 307 profit that receives or, in the exercise of reasonable business judgment,
 308 can be expected to receive more than twenty-five thousand dollars or
 309 twenty-five per cent of its gross annual receipts from such activity at
 310 such track or facility.

311 (b) The commissioner shall require each applicant for a license
 312 under subdivision (2) of subsection (a) of this section to submit to state
 313 and national criminal history records checks before such license is
 314 issued. The criminal history records checks required pursuant to this
 315 subsection shall be conducted in accordance with section 29-17a.

316 Sec. 12. Section 53-278g of the general statutes is repealed and the
 317 following is substituted in lieu thereof (*Effective from passage*):

318 (a) Nothing in sections 53-278a to [53-278g] 53-278f, inclusive, shall
319 be construed to prohibit the publication of an advertisement of, or the
320 operation of, or participation in, a state lottery, pari-mutuel betting at
321 race tracks licensed by the state, off-track betting conducted by the
322 state or a licensee authorized to operate the off-track betting system,
323 authorized games at a casino gaming facility, a promotional drawing
324 for a prize or prizes, conducted for advertising purposes by any
325 person, firm or corporation other than a retail grocer or retail grocery
326 chain, wherein members of the general public may participate without
327 making any purchase or otherwise paying or risking credit, money, or
328 any other tangible thing of value or a sweepstakes conducted pursuant
329 to sections 42-295 to 42-301, inclusive.

330 (b) The Mashantucket Pequot tribe and the Mohegan Tribe of
331 Indians of Connecticut, or their agents, may use and possess at any
332 location within the state, solely for the purpose of training individuals
333 in skills required for employment by the tribe or testing a gambling
334 device, any gambling device which the tribes are authorized to utilize
335 on their reservations pursuant to the federal Indian Gaming
336 Regulatory Act; provided no money or other thing of value shall be
337 paid to any person as a result of the operation of such gambling device
338 in the course of such training or testing at locations outside of the
339 reservation of the tribe. Any person receiving such training or testing
340 such device may use any such device in the course of such training or
341 testing. Whenever either of said tribes intends to use and possess at
342 any location within the state any such gambling device for the purpose
343 of testing such device, the tribe shall give prior notice of such testing to
344 the Department of Consumer Protection.

345 (c) Any casino gaming facility licensee, or its agents, may use and
346 possess at any location within the state, solely for the purpose of
347 training individuals in skills required for employment by the casino
348 gaming facility or testing a gambling device, any gambling device
349 which the casino gaming facility licensee may use for conducting
350 authorized games at its casino gaming facility, provided no money or

351 other thing of value shall be paid to any person as a result of the
 352 operation of such gambling device in the course of such training or
 353 testing at locations outside of the casino gaming facility. Any person
 354 receiving such training or testing such device may use any such device
 355 in the course of such training or testing. Whenever a casino gaming
 356 facility licensee intends to use and possess at any location within the
 357 state any such gambling device for the purpose of testing such device,
 358 the licensee shall give prior notice of such testing to the Department of
 359 Consumer Protection.

360 Sec. 13. Subsection (a) of section 30-37k of the general statutes is
 361 repealed and the following is substituted in lieu thereof (*Effective from*
 362 *passage*):

363 (a) As used in this section and subsection (a) of section 30-91: (1)
 364 "Casino" means the premises within which a gaming facility is
 365 operated with other facilities, including, but not limited to, restaurants,
 366 hotels, nightclubs, bingo halls or convention centers; and (2) "gaming
 367 facility" means a room or rooms within which class III gaming, as
 368 defined in the Indian Gaming Regulatory Act, P.L. 100-497, 25 USC
 369 2701, et seq., or an authorized game, as defined in section 12-557b, as
 370 amended by this act, is legally conducted.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	12-557b
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>from passage</i>	New section
Sec. 4	<i>from passage</i>	New section
Sec. 5	<i>from passage</i>	New section
Sec. 6	<i>from passage</i>	New section
Sec. 7	<i>from passage</i>	12-561
Sec. 8	<i>from passage</i>	12-562(a)
Sec. 9	<i>from passage</i>	12-563a
Sec. 10	<i>from passage</i>	12-577
Sec. 11	<i>from passage</i>	12-578

Sec. 12	<i>from passage</i>	53-278g
Sec. 13	<i>from passage</i>	30-37k(a)

Statement of Purpose:

To (1) regulate the operation of a casino gaming facility in Connecticut, (2) require the Commissioner of Consumer Protection to develop and issue a request for proposals for the development, management and operation of a casino gaming facility in Connecticut, and (3) permit the commissioner to issue one casino gaming license.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]